

## Discovery of Fractional Paper Money Use in Puerto Rico at the End of the Eighteenth Century

ÁNGEL O. NAVARRO ZAYAS (PONCE, PUERTO RICO)

During the four centuries of Spanish colonial rule, the island of Puerto Rico suffered from significant shortages of circulating currency needed to pay for governmental expenses and facilitate commerce. To partially mitigate this situation, between 1587 and 1809 the colonies received a monetary subsidy annually from the Viceroyalty of New Spain, known as the “Mexican situado.”

The Mexican situado was a quantity of gold and silver coins used to finance the construction of fortifications on the island, pay the military expenses of the garrison, the expenses of the clergy, and finally, for daily commercial transactions. This remittance system was maintained—with many intermittencies—for 222 years. When the island did not receive money from the Mexican situado due to various factors, it plunged into an economic crisis. In many of these instances, local authorities had to find a solution to the lack of metallic currency, resorting to the manufacture and issuance of rustic paper money (“papeletas”) to mitigate this lack of metallic currency. The first known emissions in Puerto Rico were in 1766, although no known copies are known extant. This issuance made Puerto Rico the first Spanish jurisdiction to issue paper money in the New World. The lack of the Mexican situado must have affected the other Spanish Antilles similarly, such as Cuba and Hispaniola. All four Spanish colonies are known to have issued paper money during the 1780s.



For the past 18 years, I have been searching for evidence of Puerto Rico's 1766 paper money (Figs. 1–6). In 2014, I discovered in the General Archive of the Indies in Seville the paper money of Puerto Rico from 1781, until then unknown, which was published in the journal *Documenta & Instrumenta*. During the COVID-19 pandemic, I continued in my efforts to locate the 1766 paper money. However, although I have yet to find actual examples, I did find documentary evidence that after the issuance of the 1781 paper money: fractional paper money (intermediate denominations) was issued in Puerto Rico, possibly around 1789 or 1790. The recently discovered handwritten report informs about the amounts of paper money issued on the island in denominations of 8 reales (two types: the 1st seal and the 2nd seal), the one with 4 reales, the one with 2 reales, and the one with 1 real. It also mentions the number of forgeries that were made during that period. Before the discovery of this report, no one knew about the existence or the use of said fractional paper money in Puerto Rico.

Like the 1766 issue, the images of the fractional notes have yet to appear. The great Dominican researcher Don Miguel Estrella Gómez and Don Isaac Rudman published in 2003 the book *El papel moneda dominicano*, vol. 1: 1782–1912. In it, they show paper money of 1 peso (8 reales, 1782), very similar to that of Puerto Rico in 1781. Also in the book, some fractional bills from the 1780s used in the Dominican Republic appeared as well. The question then arises: would the fractional paper money of Puerto Rico be like that of Hispaniola? Given the proximity and interaction between the two islands during the eighteenth century, it could be possible. Another hypothesis that would be interesting to corroborate is whether, faced with similar situations of intermittence in their respective locations, the Spanish Antilles tended to issue this type of “papeletas,” perhaps in 1766, when Puerto Rico issued provisional paper money. The same activity could have happened within the other four Spanish colonies. Were these four colonies able to resort to issuing paper money in the 1760s just as they did in the 1780s? As the renowned numismatist and lawyer in San Juan, Don Jorge Ortiz Murias, indicated to us when presenting these observations, “It is possible.”

As my mentors used to say in the science labs at the University of Wisconsin at Madison, “Further research needs to be done.” More historical studies must be done to approve or reject the hypotheses and rediscover the history hidden in the archives related to the rich monetary history of our blessed *Isla del Encanto*.<sup>1</sup>

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1. For evidence of the use of fractional paper money in Puerto Rico at the end of the eighteenth century, see the General Archive of the Indies, Ultramar, 478.

Extracto de la Cuenta General de Papeletas o Villetes creados en las Caxas Reales de Puerto Rico para suplir a la falta de plata efectiva, formado con presencia de justificantes por el Contador principal de ellas Don Manuel Jacinto de Acevedo, en instrucción de las resultas que se demostrarán, y del informe que por Real Orden de 12 de febrero del año corriente se le ha pedido.

Número de Papeletas o Villetes							Sus valores en pesos fuertes
	De a 4 pesos	De a peso de 1 <sup>er</sup> sello	De a peso del 2 <sup>o</sup> sello	De a 4 reales	De a 2 reales	De a un real	
Cargo general	42000	353000	112000	28000	26900	6000	654475
Data General	41956	376701	111371	38357	16675	3720	679708 2
Diferencias	44	23701	629	10357	10225	2280	25233 2
	Faltan que presentar	duplicadas recogidas	faltan que presentar	duplicadas recogidas	faltan que presentar	faltan que presentar	
Aumentase el valor de las papeletas no presentadas a su cambio que queda a favor de la Administración del citado contador, y cuya consignación se reservó S.M. en Real Orden de 11 de Julio de [17]87.							3646 2
Es el Alcance o descubierto contra el tesorero Don Gabriel Tinagero y el Contador interino Don Fernando Casado, resultante de la fraudulenta duplicación y triplicación de 23701 papeletas de a peso del Sello 1o y 10357 de a 4 reales todas legítimas de la estampa y manos de estos Ministros, que deben reintegrarle a la Real Hacienda por hallarse esta perjudicada en el recogido y pago de las expresadas papeletas excedentes, prevenido por el Gobernador e Yntendente de Puerto-Rico, y que resiste la Real Orden de 11 de julio citada							28879 4
Madrid 29 de Julio de 1790							

*Manuel Jacinto*  
*Don Manuel Jacinto*

Figure 2. Spanish transcription of the manuscript, which provides evidence of the use of fractional paper money in Puerto Rico at the end of the eighteenth century. General Archive of the Indies, Ultramar, 478.

Extract from the General Account of Papeletas [Paper money] or Villetas created in the Royal Treasury of Puerto Rico to supply the lack of adequate money, formed with the presence of supporting documents by the main Accountant of them Mr. Manuel Jacinto de Acevedo, in the instruction of the results that they will demonstrate, and the report that has been requested by Royal Order of February 12 of the current year.

Number of Papeletas [paper money] or Villetas							Their value in pesos [redeemed coins]
	of 4 pesos	Of 1 peso of the 1 <sup>st</sup> seal	Of 1 peso of the 2 <sup>nd</sup> seal	of 4 reales	of 2 reales	Of 1 real	
General charge	42000	353000	112000	28000	26900	6000	654475
General data	41956	376701	111371	38357	16675	3720	679708 2
Differences	44	23701	629	10357	10225	2280	25233 2
	Missing to present	duplicates collected	Missing to present	duplicates collected	Missing to present	Missing to present	
Increase the value of the paper money not presented for their exchange that remains in favor of the Administration of the aforementioned accountant, and whose consignment was reserved by S.M. in Royal Order of July 11, [17]87.							3646 2
It is in the scope or discovery against the treasurer Don Gabriel Tinagero and the interim Accountant, Don Fernando Casado, resulting from the fraudulent duplication and tripling of 23701 paper money of 1 Peso of the 1st Seal and 10357 of 4 reales, all legitimate from the seal and hands of these Ministers, who must repay the Royal Treasury for being damaged in the collection and payment of the surplus as mentioned earlier of paper money, warned by the Governor and Mayor of Puerto Rico, and who resists the aforementioned Royal Order of July 11							28879 4
Madrid July 29, 1790							

*Manuel Jacinto  
Acevedo*



Figure 3. Translation of the Spanish transcription of the manuscript, which provides evidence of the use of fractional paper money in Puerto Rico at the end of the eighteenth century. General Archive of the Indies, Ultramar, 478.



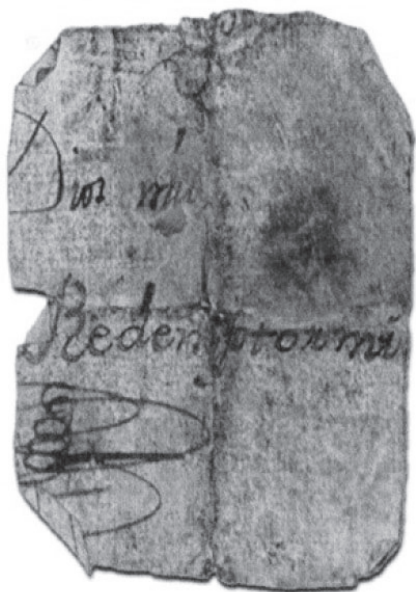


Figure 4. 1 real. Provisional paper money of Santo Domingo issued on September 27, 1782 (70 mm  $\times$  70 mm). Jorge Ortiz-Murias (2021), *Las monedas que circularon en la capitanía general de Puerto Rico (1508–1900)*. Sociedad Numismática Dominicana, Santo Domingo, República Dominicana. First Edition. p. 67.



Figure 5. 4 reales. Provisional paper money of Santo Domingo issued on September 27, 1782 (70 mm  $\times$  100 mm). Jorge Ortiz-Murias (2021), *Las monedas que circularon en la capitanía general de Puerto Rico (1508–1900)*. Sociedad Numismática Dominicana, Santo Domingo, República Dominicana. First Edition. p. 67.

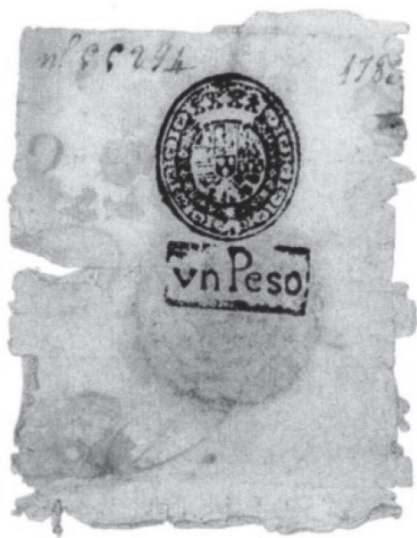


Figure 6. 1 peso. Provisional paper money of Santo Domingo issued on May 17, 1782 (80 mm  $\times$  100 mm). Jorge Ortiz-Murias (2021), *Las monedas que circularon en la capitanía general de Puerto Rico (1508–1900)*. Sociedad Numismática Dominicana, Santo Domingo, República Dominicana. First Edition. p. 67.

